

Remarks/Arguments

The amendments set forth herein are provided solely to clarify the invention as filed and set forth in the pending claims in order to comply with applicable statutes and regulations. The amendments are not intended to limit the invention or preclude the application of equivalents which Applicant may be entitled to under law.

Status of the Application

Applicants respectfully request reconsideration of the rejections and objections set forth in the Office Action mailed on June 14, 2007.

The Examiner has rejected claims 75, 77-82, and 84-96 under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,850,442 to *Muftic et al. (Muftic)* in view of U.S Patent No. 5,655,007 to *McAllister (McAllister)*.

The Examiner has allowed claims 76 and 83.

Applicant has added claims 97-108.

Claims 75-108 are pending in this application.

The Claims

Interview Summary

In a telephonic interview with the Examiner on October 15, 2007, the Applicant and the Examiner discussed the present invention and the claim approach. The Applicant directed the Examiner's attention to Para 31 of the Specification, which reads,

The present invention proposes the use of "value notes", which can be in the form of electronic messages, and represent a commodity, such as money. In one form, a value note may be regarded as being similar to a note of conventional currency in that it is promise by the note issuer to provide the bearer with the commodity on redemption of the value note. For example, if the value note represents money, then it is equivalent to cash in the bearer's hand. (emphasis added)

The Applicant has submitted that the proposed amendments further clarify and distinguish the claimed invention over the cited art. Although no formal agreement was reached, the Examiner agreed to review the amended claims as directed toward value notes in an electronic message form. Applicant thanks the Examiner for his time.

Rejections Under 35 U.S.C. § 103 (a)

Claims 75, 77-82, and 84-96

The Examiner has rejected claims 75, 77-82, and 84-96 under 35 U.S.C. 103(a) as being unpatentable over *Muftic* in view of *McAllister*. Applicant respectfully traverses.

Applicant has at least argued in a previous Amendment that the card reader of *Muftic* is not required to provide authentication. The Examiner has proposed that *McAllister* discloses a transaction authentication device or card reader for verifying user's identity.

Applicant agrees that *McAllister* makes a similar requirement for a card and card reader. Although coding on the card, as disclosed by *McAllister*, may carry security information (*see* col. 17, ll. 1-11), *McAllister* still requires a physical card for carrying the information. In contrast, presently amended claim 75 requires no such limitation, "providing a buyer value note, the buyer value note including a buyer public key, the value, and a first bank signature, wherein the buyer value note is in a first electronic message form..." and again, "creating a seller value note, the seller value note including a seller public key and the value, wherein the seller value note is in a second electronic message form" (*emphasis added*). As such, no card is required by the present claim. Instead, a value note, as contemplated by the present claims are embodied in an electronic message form (*see* Para 31) suitable, for example, for transmission over a public communication system (*see* Para 44).

As such, Applicant respectfully submits that *McAllister* does not reasonably suggest or cure the deficiencies as previously cited by the Applicant in *Muftic*. Therefore, for at least these reasons, Applicant respectfully submits that claim 75 is allowable over the cited art and requests that the above rejection be removed.

Claims 82 and 94 have been amended to contain an "electronic message form" limitation and are, therefore allowable over the cited art for at least the same reasons cited for claim 75. All remaining claims depend either directly or indirectly from independent claims 75, 82, and 94 and are therefore allowable over the cited art for at least the same reasons cited for claims 75, 82, and 94.

Allowable Subject Matter

Claims 76 and 83

The Examiner is thanked for the allowance of claims 76 and 83

Newly Presented Claims

Claims 97-102 and 103-108

The Applicant has added claims 97-102 and 103-108. These claims correspond with claims 75-81 and 82-88 respectively. More particularly, claim 97 incorporates limitations of claim 75 and allowed claim 76. Further, claim 13 incorporates the limitations of claim 82 and allowed claim 83. As such, Applicant respectfully submits that the Examiner's objection of claims 76 and 83 as being dependent on a rejected claim base is traversed by the presentation of these claims.

Applicant believes that all pending claims are allowable and respectfully request a Notice of Allowance for this application from the Examiner. Should the Examiner believe that a telephone conference would expedite the prosecution of this application, the undersigned can be reached at the telephone number set out below.

The Commissioner is hereby authorized to charge any additional fees to process this Amendment, or credit any over-payments that may apply, to our Deposit Account No. 504173.

Respectfully submitted,
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